

FIBERS SITE GROUP

January 20, 2017

Via Email and CM/RR

Walter E. Mugdan, Director
Emergency and Remedial Response Division
USEPA Region 2
290 Broadway, 19th Floor
New York, NY 10007-1866
mugdan.walter@epa.gov

RE: Fibers Public Supply Wells Superfund Site (the “Site”), Guayama, Puerto Rico

Dear Mr. Mugdan:

We are in receipt of your letter dated January 6, 2017, which sets out three possible options for handling the discharge of the treated water from the subject Superfund Site and provides that these options are the Agency’s preferred options. Your letter recounts a fourth option we are considering and have discussed with the Agency: sending the treated water to PRASA’s nearby Wastewater Treatment Plant in Guayama (“PRASA Option”). In fact, representatives of EPA (including Messrs. Hauptman, Lieber, Doyle and Bosque and Mmes. Rivera-Ocasio and Ludmer) and the Fibers Site Group had a very productive telephone discussion regarding this fourth option on October 26, 2016.

During that call, EPA asked certain questions about the PRASA Option and expressed some initial concerns. The overriding concern was that EPA objected to sending the treated water to AES because it is a coal-fired power plant, and EPA did not consider this an appropriate beneficial use of the water. As a result, the Fibers Site Group agreed to gather additional information to address EPA’s questions and concerns. In addition, the Fibers Site Group informed EPA that it had already met with PRASA’s then Executive President and its Executive Vice President for Environmental Compliance and Occupational Health and Safety to begin these discussions and that PRASA was especially interested in the option and fully supportive of working with the Fibers Site Group to advance this option. The Fibers Site Group advised EPA that it intended to meet further with PRASA and other stakeholders after which it would prepare a presentation for EPA that addressed its questions and concerns. We suggested that a meeting in “early 2017” would be most helpful in this regard.

Since those discussions, in mid-December 2016, the Fibers Site Group met again with PRASA representatives, including plant personnel, at the PRASA Regional Wastewater Treatment Plant (“RWWTP”) in Guayama. The parties toured the plant, and engaged in discussions regarding the beneficial uses of the treated water under a holistic approach, explored possible pipeline routes and confirmed PRASA’s interest in receiving the treated water as non-potable water. In that meeting we learned that it was PRASA’s goal to make its Guayama RWWTP a zero-discharge plant. We also learned that the use of the treated water would assist

PRASA in reducing its own extraction from the Patillas Lake and the Patillas Canal, thus increasing the availability of these potable water sources for the general potable water needs of the citizens in the south coast of Puerto Rico. Likewise, it was observed that if AES used this grey water for its processes, it would reduce AES's demands on the Patillas Canal and the aquifer, leaving the higher quality water for uses, including potable uses, by the citizens on the south coast.

The PRASA Option meets all of the criteria of the Record of Decision and can be implemented in a timely manner. Importantly, the use of the treated water by PRASA would also be consistent with EPA's 2012 Guidelines for Water Reuse. In short, the benefits of using the treated water in this way include the following:

- It benefits the Patillas Lake, Patillas Canal and local aquifer by mitigating PRASA's extraction of water.
 - PRASA wants to eventually eliminate its groundwater extraction wells for Salinas drinking water and move to surface water, which will require additional water to be extracted from the Patillas Canal which is fed from the Patillas Lake.
- It benefits the citizens of the south coast of Puerto Rico by reducing the demands on surface water extraction from the Patillas Canal (benefitting the local aquifer through percolation), which is the current source of potable water for Salinas.
 - Importantly, DNER has declared the southern aquifer is in a critical state (OE-2015-026, promulgated July 21, 2015).
 - According to its administrative policy decision (c. 2015), PRASA is no longer approving new connections to its water system in Salinas, which results in no new developments in that municipality.
 - The USGS continuously monitors this section of the island and has declared a drought for the area several times in recent years.
- It benefits municipalities, business and others that use non-potable water for lawn irrigation, construction activities, maintenance activities, and other non-potable commercial and residential uses (especially during low precipitation months and droughts).
- It assists PRASA in its efforts to become a zero discharge Regional Waste Water Treatment Plant.

With regard to timing, the recent elections in Puerto Rico have resulted in a change in administration at PRASA. We have been advised that it may take up to several months for upper management to be appointed, and, as a result, it will be some time before the new management at PRASA may confirm its interest in proceeding with this option. As discussed, to-date PRASA has indicated that it is on board with this option, and we look forward to discussing this beneficial alternative further with the incoming administration.

Similarly, the preferred options expressed in your letter of January 6, 2017 will require additional time for consideration. Specifically, as is evident in our monthly site progress reports, additional investigations at the Site are ongoing. The results of this ongoing investigative work

may directly impact the siting of any percolation basin or re-injection alternatives. Likewise, any immediate implementation of these options may directly impact the ongoing investigative work.

In addition, in 1999 the Fibers Site Group entered into negotiations with the Puerto Rico Electric Power Authority ("PREPA") in connection with conveying the treated water to the Patillas Canal. Those negotiations were unavailing as PREPA made demands that the Fibers Site Group could not meet. Further, PREPA has recently expressed concerns regarding the quality of water it would receive from the treatment plant. Finally, within the last two years, PREPA has specifically denied the viability of our sending the treated water to the Patillas Canal (see letter attached).

Further, the options provided in EPA's letter (along with the PRASA Option) may require focused feasibility studies to analyze the alternatives against the nine CERCLA criteria: overall protection of human health and the environment; compliance with ARARs (applicable or relevant and appropriate standards); long-term effectiveness and permanence; reduction of toxicity, mobility or volume; short-term effectiveness; implementability; cost; state acceptance and community acceptance, as specified in the National Contingency Plan. Anticipated challenges include the feasibility of re-injection based on the permeability of soils and whether the location of certain options may negatively impact ongoing facility operations, challenges which could be evaluated through the feasibility study process.

Your January, 2017, letter responds in part to an alternatives analysis the Fibers Site Group submitted to the Agency in 2011. While the Fibers Site Group is eager to come to agreement with EPA as to a final selected alternative for use of the treated groundwater from the Site, given the importance of this decision, we want to make sure EPA is apprised of the results from our current additional investigative work before making any final decision. Accordingly, time is necessary to further explore all of these options and allow the ongoing investigative work to continue without interruption.

In light of the foregoing, and as we proposed during our prior discussions, we respectfully request that EPA agree to meet with the Fibers Site Group to discuss these options. Kindly let me know if EPA will agree to a meeting for this purpose in either San Juan or New York, whichever you prefer.

Sincerely,



Joe Biss

Project Coordinator

On behalf of the Fibers Site Group

cc:

EPA

Via email:

Thomas Lieber, lieber.thomas@epa.gov

Adaberto Bosque, bosque.adaberto@epa.gov

Mel Hauptman, hauptman.mel@epa.gov

Fibers Site Group

Via email:

Dan Vineyard

Fibers Site Group



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COMMONWEALTH OF PUERTO RICO

Puerto Rico Electric Power Authority

Juan F. Alicea Flores, P.E.
Executive Director

November 4, 2013

CERTIFIED MAIL: 7011-3500-0000-6411-7394

Mr. José Font, Director
US EPA Region II Caribbean Office
City View Plaza II Suite 7000
Guaynabo, PR 00968-8069

Dear Mr. Font:

Fibers Group (EPA Superfund Site) Guayama, Puerto Rico

On August 13, 2013, representatives from our Environmental Protection and Quality Assurance Division (EPQAD) attended a meeting organized and performed in the Caribbean EPA Region II facilities, located in City View Plaza. The purpose of the meeting was to discuss the alternatives for the use of the wastewater, which is currently extracted from the aquifer at the Fibers Group (Phillips 66) grounds located in Guayama. This meeting was attended by representatives of the Department of Natural and Environmental Resources (DNER), Department of Economic Development of Puerto Rico (PRIDCO), Puerto Rico Aqueducts and Sewers Authority (PRASA), Department of Health, ARCADIS Contractor, Fibers Group (FG), Environmental Protection Federal Agency (EPA Region II of the Caribbean and New York) and the Puerto Rico Electric Power Authority (PREPA).

After evaluating EPA's proposal for the wastewater final use alternatives, PREPA concluded that the only acceptance alternative for PREPA consist of FG to build a pipeline along the easement of the PR-3 existing road up to the raw water connection point of the Aguirre Power Complex (APC). Therefore, PREPA could use such effluent for electricity production only at APC. This way, the need for the extraction of surface water from the irrigation channel would be reduced to meet the water needs of APC, which is estimated at 1.5 to 2.0 million gallons per day. In the event that the wastewater treated by FG is contaminated, this would be retained in the retention ponds to be built in the APC and could be treated prior to being used in the generating units.

If you have any questions regarding this matter, please contact engineer Sonia Miranda Vega, Director of Planning and Environmental Protection, at (787) 521-4884.

Cordially,


Juan F. Alicea Flores
Executive Director

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FIBERS SITE GROUP

April 1, 2014

Via Email and CM RRR

Adalberto Bosque, PhD, MBA, REM, CEA
Response and Remediation Branch
U.S. Environmental Protection Agency ("EPA")
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Guaynabo, PR 00968-8069

Re: Fibers Public Supply Wells Superfund Site

Dear Mr. Bosque:

On December 11, 2013, you forwarded to me a letter relating to the Fibers Public Supply Wells Superfund Site in Guayama, Puerto Rico (the "Site"), dated November 4, 2013, and sent by the Puerto Rico Electric Power Authority ("PREPA") to EPA. For your convenience, please find PREPA's letter enclosed with this mailing (the "PREPA Letter").

In summary, the PREPA Letter states that PREPA and several Puerto Rican agencies, participated in an August 13, 2013, meeting in order to discuss EPA's proposed final use alternatives for the treated water from the Fibers Site. PREPA concludes in this letter that its **only** accepted alternative is for the Fibers Group to build a pipeline to transport the treated water to the Aquirre Power Complex ("APC"). PREPA asserts that it will use the effluent for electricity production at the Complex.

In a recent telephone conversation, you requested that the Fibers Group prepare a letter that sets forth the Fibers Group's response to PREPA's November 2013 letter. In short, the Fibers Group has evaluated PREPA's suggested alternative and believes that it is neither reasonable nor cost effective.

PREPA's alternative would require that the Fibers Group build and maintain a pipeline 5 to 7 miles long. The estimated costs associated with such an endeavor are between \$15 and \$20 million. Furthermore, this alternative is not discussed in the Record of Decision ("ROD") nor was it contemplated at the time the ROD was entered. It also differs substantially from what the Fibers Site Group discussed with EPA in our August 2013 meeting as a possible acceptable option.

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Accordingly, the Fibers Group rejects PREPA's suggested alternative and refers EPA and/or PREPA to all previous correspondence regarding the Fibers Group's preferred and suggested alternatives.

The Fibers Site Group will continue to work cooperatively with the EPA to reach a final determination in this regard.

Please feel free to contact me if you have any questions or comments.

Sincerely,

Joe Biss
Project Coordinator
On behalf of the Fibers Site Group

Copies:

Chief, New York/Caribbean Superfund Branch, Attn. Mel Hauptman- via email only
Lourdes del Carmen Rodrigues, Esq., Assistant Regional Counsel- via email only
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